

**ASSEMBLY BILL**

**No. 6**

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**Introduced by Assembly Member Houston**

December 4, 2006

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An act to amend Section 38570 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 6, as introduced, Houston. Greenhouse gases: market-based compliance mechanisms.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law also designates the state board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases. Existing law requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020, as specified, and requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions, as specified. Existing law authorizes the state board to adopt market-based compliance mechanisms, as defined, meeting specified requirements.

This bill would instead require the state board to adopt market-based compliance mechanisms.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 38570 of the Health and Safety Code is  
2 amended to read:

3 38570. (a) The state board ~~may~~ *shall* include in the regulations  
4 adopted pursuant to Section 38562 the use of market-based  
5 compliance mechanisms to ~~comply~~ *ensure compliance* with the  
6 regulations.

7 (b) Prior to the inclusion of any market-based compliance  
8 mechanism in the regulations, to the extent feasible and in  
9 furtherance of achieving the statewide greenhouse gas emissions  
10 limit, the state board shall do all of the following:

11 (1) Consider the potential for direct, indirect, and cumulative  
12 emission impacts from these mechanisms, including localized  
13 impacts in communities that are already adversely impacted by air  
14 pollution.

15 (2) Design any market-based compliance mechanism to prevent  
16 any increase in the emissions of toxic air contaminants or criteria  
17 air pollutants.

18 (3) Maximize additional environmental and economic benefits  
19 for California, as appropriate.

20 (c) The state board shall adopt regulations governing ~~how the~~  
21 *manner in which* market-based compliance mechanisms may be  
22 used by regulated entities subject to greenhouse gas emission limits  
23 and mandatory emission reporting requirements to achieve  
24 compliance with their greenhouse gas emissions limits.